



# PECFA POST



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## SITE REVIEW HYDROGEOLOGIST STAFF ZIP CODE REASSIGNMENT

The Site Review Section has assigned zip code oversight in the Milwaukee Office as follows: Linda Michalets and Monica Weis will manage zip codes beginning with 532; Lee Delcore and Stephen Mueller will manage zip codes beginning with 530.

Andy Alles (located in Madison) will manage zip codes beginning with 538 and 534 and Shawn Wenzel (located in Madison) will manage zip codes beginning with 531.

Tim Zeichert (located in Stevens Point) will manage zip codes beginning with 547 and 540. The updated Site Review Zone Contact Table is located on [page 6](#).

## USUAL AND CUSTOMARY COST SCHEDULE – VARIANCE APPROVAL PROCESS

The variance process was presented during the statewide Comm 47 training conducted during January and February 2007. The following is to repeat and reinforce the information already provided.

Comm 47.325(3) indicates costs that exceed the Usual and Customary Cost Schedule (UCCS) can only be reimbursed if approved. It further indicates the variance must be specifically approved in writing by the Wisconsin Department of Commerce (Commerce) *prior* to the subject work being conducted. In most cases, Commerce will not review cost variances for work already performed.

Variances can be requested for costs that exceed the UCCS maximum reimbursement rates or for costs associated with activities not on the UCCS. All sites that are (will be) under a UCCS-derived budget or otherwise are utilizing the UCCS for cost reimbursement can submit a cost variance request. The request is to be submitted to the Commerce Site Review Hydrogeologist assigned to the subject site. Following a preliminary review, which may require additional clarifications from the consultant, the site reviewer will forward the request to the Variance Committee for consideration. Variance Committee decisions only apply to the subject site; they do not set a precedent. Therefore, variance requests must be submitted on a per site basis. Information from the variance process, whether approved or not, is retained to help periodically update the UCCS. The Variance Committee has regularly scheduled meetings every two weeks and will meet more frequently if required.

Variance requests are to be incorporated into an overall, complete budget request for future work. Consequently, all costs (variance and non-variance) for a specific scope of work are to be presented. Variances will not be treated as isolated budget issues; they will be part of an overall budget that has the intention of meeting a specific work scope goal. An exception

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would be variance requests where the site investigation cost cap (\$20,000) will not be exceeded before completing the investigation. For such cases, a variance approval is still required; however, the approval from Commerce would not include an investigation cost cap approval.

Variances are not to be requested for already approved, UCCS-derived budgets. Prior submittals and approvals represent a commitment to perform work per the UCCS rates. Consequently, when requesting budget approvals, consultants are confirming their ability to perform all the work (including commodity provider services) at the UCCS rates *prior to submittal*. The Variance Committee will be very reluctant to review variances “discovered” in the middle of a work phase with an approved budget. As opposed to claim submittals, for the purpose of future cost requests, cost summaries are not required to be provided on the U&C Standardized Invoice. For ease of review, the summary is to be organized parallel to the UCCS, and for convenience use a spreadsheet.

Following are specifics regarding variance request submittals:

For costs that exceed a UCCS maximum, indicate the subject U&C Activity Reference Code and provide specific unit costs for the variance that are parallel to the UCCS. For commodity services, do not simply pass along a contractor cost estimate. These may contain unit designations different than the UCCS. When necessary, the consultant is to provide a transparent conversion to the activity or unit(s) provided in the UCCS. For consultant services, indicate the amount of time and the labor rate to perform the variance task.

For costs that are for activities not on the UCCS, provide a detailed description of the work to be conducted, and, if applicable, a commodity-based cost estimate. For consultant services, indicate the amount of time and the labor rate to perform the non-Schedule task.

For all variance requests, provide the technical justification for the cost overage or non-schedule activity. For example: difficult drilling conditions, extraordinary reporting requirements, waste disposal not on the UCCS, etc.

The cost for the variance request itself can be a variance item, if costs will exceed the UCCS rate for a regulatory correspondence (RC05). The UCCS update anticipated for September 2007 provides a new line item task for Change Orders with a maximum cost of \$340 per submittal. Once implemented, this should alleviate many of these variances.

Variance Outcomes:

1. Approve the variance as a part of an overall budget. The approval letter will specifically reference the variance (what it is for and the amount). A copy of the approval is to be enclosed with the claim that includes the variance cost.
2. Partially approve the variance request.
3. Direct that the work be performed under a cost cap established through the Petroleum Environmental Cleanup Fund Award (PECFA) public bidding process.

#### PECFA POST SUBSCRIPTION AND REQUEST FOR TOPICS

To subscribe to the PECFA Post go to <http://commerce.wi.gov/ER/ER-PECFA-News.html>, enter your email address and name and click the subscribe box. You will receive an email to confirm your email address. Upon confirmation, you will have been added to the electronic distribution list.

Commerce appreciates suggestions for future Post topics or comments on current articles. Please contact Beth Erdman at [beth.erdman@wisconsin.gov](mailto:beth.erdman@wisconsin.gov) to provide suggestions or topics.

## **BID WAIVERS, BID DEFERRALS AND CHANGE ORDERS**

Bid Waivers are for all costs through closure, including well abandonment. It is intended for very modest work scopes. An example is a work scope for confirmation sampling and closure activities. This is not intended for re-directed remedial efforts, excavation costs greater than Task 24 limits, uncertain or open-ended work scopes, etc. This is a one time approval. Costs for additional work will be determined through the public bidding process, hence, the requirement that it include all costs to closure.

Bid Deferrals are for costs to a specified public bid round. It is intended to obtain additional data to complete tasks prior to a bid specification being developed. Consequently, the deadline to finish the deferment work is typically in advance of the specified bid round.

Site Investigation Change Orders are for costs that exceed \$20,000 to complete a site investigation.

The UCCS applies to all three of the above and may have UCCS variance items included.

Bid Cap Change Orders are for additional work conducted *during* a work scope that was determined through the public bidding process. They are for work not indicated in the original bid specification. If the bid work scope is already completed, a Bid Cap Modification does not apply. Rather, one of the above would likely apply, or the site would be redirected through the public bidding process (re-bid). Bid Cap Change Orders can also be for contingency bid items that were not part of the initial bid cost cap. Bid Cap Change Orders are not required to be based on the UCCS. For bid contingency items, the approval will be based on the bid amount. For non-bid items, the UCCS will only be used by reviewers as a guideline.

## **A PROPERTY HAS ONE INVESTIGATION COST CAP FOR OCCURRENCES**

It is important to remember that the site investigation cost cap of Comm 47.337 applies to the entire property and not to separate occurrences that are identified on that property. With the current cap of \$20,000, pre-approval of additional investigation costs is likely if a second occurrence is reported on the property where there is already an open occurrence. To maintain eligibility for all PECFA eligible releases, be sure to keep track of all site investigation costs incurred and reimbursed for the current and any other active occurrences. A site investigation cost cap exceedance request must be submitted to the site hydrogeologist for review and approval prior to incurring costs that exceed \$20,000 on each property.

After all occurrences are closed, should another PECFA eligible release be reported, a new \$20,000 investigation cap would be in place. For historical reference, this issue was discussed in PECFA Update #3, in February 1994 (<http://commerce.wi.gov/ERpdf/pecfa/ER-PECFA-Update3.pdf>).

## **BARRIER MAINTENANCE PLAN TEMPLATE AVAILABLE FOR USE**

Consultants are to be aware that when requesting closure with a land use control (LUC) requiring maintenance of pavement or a building, a Barrier Maintenance Plan must be included. Commerce has prepared a template that consultants can modify with site specific information. The template is available in Word format on Commerce's PECFA internet site under the Forms section at: <http://commerce.state.wi.us/ER/ER-PECFA-Forms.html>.

**PECFA WELCOMES TANYA HERRANZ**

On Monday April 16, 2007 Tanya Herranz joined the PECFA program as a Program Specialist in the Claim Review Section. Tanya has several years of experience in the banking industry, most recently at Great Wisconsin Credit Union in Madison. Tanya can be reached at (608) 266-6796 or via email at: [tanya.herranz@wisconsin.gov](mailto:tanya.herranz@wisconsin.gov).

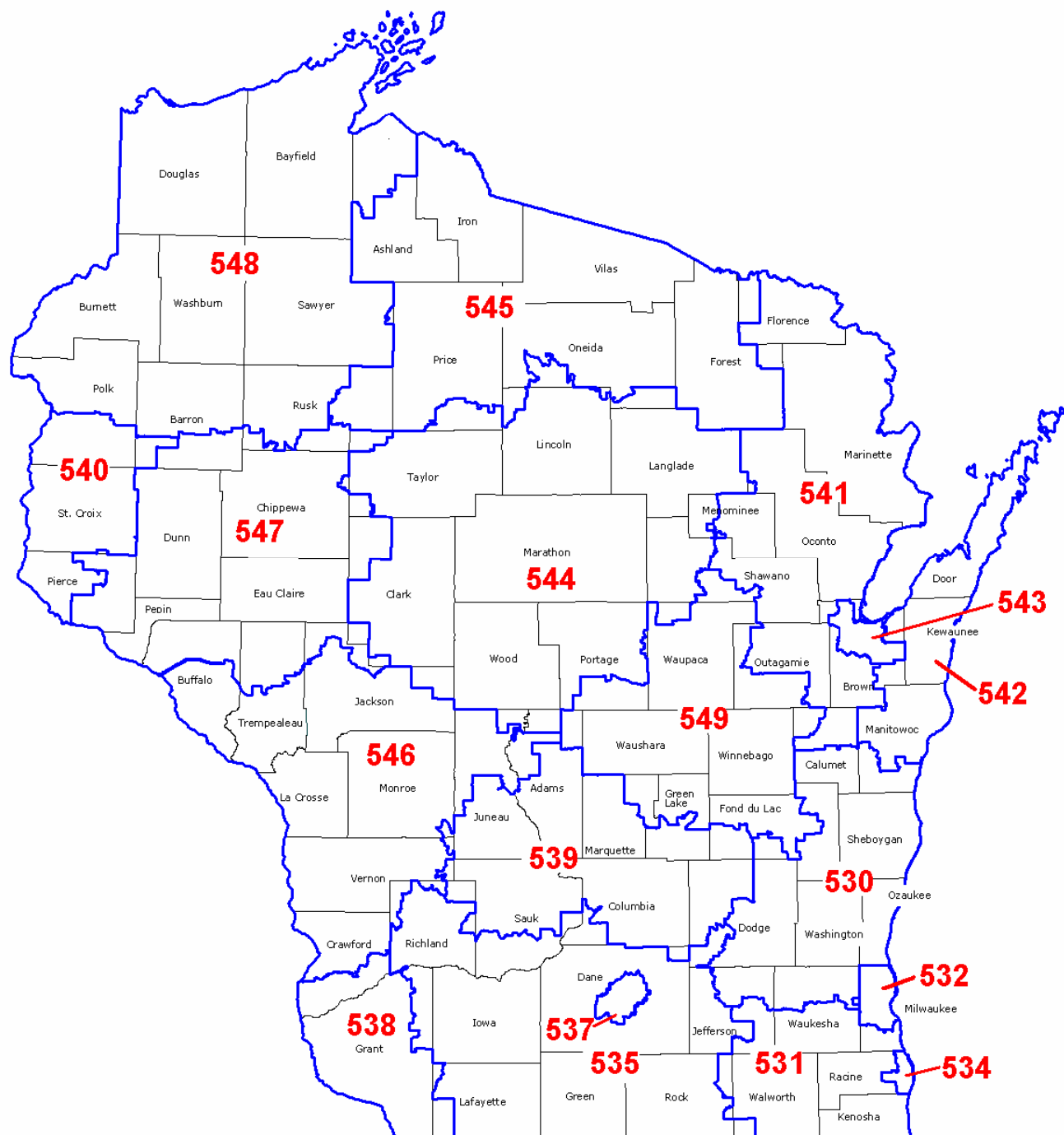
**PECFA UPDATES SINCE THE LAST ISSUE OF THE POST:**

Update 29: <http://commerce.wi.gov/ERpdf/pecfa/ER-PECFA-Update29.pdf>

Update 30: <http://commerce.wi.gov/ERpdf/pecfa/ER-PECFA-Update30.pdf>

Update 31: <http://commerce.wi.gov/ERpdf/pecfa/ER-PECFA-Update31.pdf>

# PECFA SITE REVIEW ZONE COVERAGE MAP



# PECFA SITE REVIEW CONTACT INFORMATION

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<b>Advanced Hydrogeologists</b> <a href="#">Greg Michael</a> (414) 357-4702 <a href="#">David Swimm</a> (608) 264-8766 <a href="#">Tom Verstegen</a> (920) 424-0025		Milwaukee	(see address below)
		Madison	(see address below)
		Oshkosh	(see address below)
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<b>532</b>	<a href="#">Linda Michalets</a> <a href="#">Monica Weis</a>	(414) 357-4703 (414) 357-4705	Wisconsin Department of Commerce 9316 N. 107 <sup>th</sup> Street Milwaukee, WI 53224-1121  FAX: 414-357-4700
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<b>537</b>	<a href="#">Jon Heberer</a>	(608) 261-5405	
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<b>545</b>	<a href="#">David Blair</a>	(608) 261-2515	
<b>548</b>	<a href="#">Will Myers</a>	(608) 261-7718	
<b>544</b>	<a href="#">Dee Lance</a>	(715) 342-3802	Wisconsin Department of Commerce 2715 Post Road Stevens Point, WI 54481-6456  FAX: 715-345-5225
<b>540, 547</b>	<a href="#">Tim Zeichert</a>	(715) 345-5307	
<b>542, 543</b>	<a href="#">Robert Klauk</a>	(920) 424-0046	Wisconsin Department of Commerce 2129 Jackson Street Oshkosh, WI 54901-1805  FAX: 920-424-0217
<b>549*</b>	<a href="#">Tom Verstegen</a>	(920) 424-0025	
<b>541</b>	<a href="#">Beth Erdman</a>	(920) 303-5410	

\*Outagamie, Winnebago, Fond du Lac Counties are managed by Robert Klauk and Tom Verstegen whereas the remainder of 549 sites, including the City of New London, are managed by Dee Lance.

## PECFA CLAIM REVIEW CONTACT INFORMATION

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<b>Alternate Proof of Payment and Agent Approval</b>	<a href="#">Mary Ann Gosda</a> (608) 266-9420	
<b>Appeals Field Audit</b>	<a href="#">James Moser</a> (608) 267-1394	
<b>Appeals Coordinator-Initial Contact for Appeals</b>	<a href="#">Laura Pleasants</a> (608) 261-2511	
<b>Initial Claim Review</b>	<a href="#">Diane Ploessl</a> (608) 261-7723	
<b>Financial Manager-Payment Issues</b>	<a href="#">Dottie White</a> (608) 266-3713	
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